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## **S. 1233 — Agriculture, Rural Development, FDA, and Related Agencies Appropriations Bill, FY 2000**

Calendar No. 157

Reported as an original bill from the Senate Appropriations Committee on June 17, 1999, by a vote of 28-0. S. Rept. 106-80.

### **NOTEWORTHY**

- S. 1233 provides \$60.71 billion in new budget authority for agriculture, rural development and nutrition programs, and some related agencies. This is \$1.17 billion (excluding \$5 billion in FY 2001 advance appropriations) less than the budget request and \$6.20 billion more than FY99, with the increase attributable to mandatory payments required to reimburse the Commodity Credit Corporation. The amount falls within the subcommittee's 302(b) allocation. [See attached chart.]
- The bill contains \$47.06 billion in mandatory spending programs such as food stamps (\$21.56 billion), child nutrition (\$9.56 billion), payments to the Federal Crop Insurance (\$977 million) and Commodity Credit Corporations (\$14.4 billion). Discretionary spending is frozen at the FY 1999 or CBO baseline level of \$13.98 billion in budget outlays.
- The domestic food assistance portion of the bill (Title IV, which includes food stamps, child nutrition, WIC nutrition program, commodity and other food assistance) totals \$35.5 billion.
- The Committee provides \$320.6 million, an increase of \$45.9 million from last year, for the President's Food Safety Initiative for programs within the U.S.D.A and the FDA.
- The bill places spending limitations on the Environmental Quality Incentives Program, new acreage enrollments in the Wetlands Reserve Program, Food Stamp Program commodity purchases, and the Fund for Rural America.
- Senator Leahy plans to offer an amendment to extend the Northeast Dairy Compact. Senator Harkin plans to offer a \$6.5-billion farm-crisis aid package. However, 22 Republican Senators, believing the Harkin request is premature, sent a letter on June 15, 1999, to the President, calling on him first to monitor and discuss the agriculture situation prior to submitting a request to Congress for funds needed to address the potential crisis.

## HIGHLIGHTS

### Appropriations Breakdown by Title (in millions)

<u>Appropriation Account</u>	<u>FY 1999* Level</u>	<u>Senate Committee</u>
Title I — Agricultural Programs	\$ 14,482.0	\$ 20,000.5
Title II — Conservation Programs	793.1	808.1
Title III — Rural Econ/Commun Devlpmt	2,175.2	2,184.4
Title IV — Domestic Food Programs	34,817.2	35,546.1
Title V — Foreign Asst. Programs	1,196.7	1,062.9
Title VI — Related Agencies and FDA (plus payments, CFTC, & FCA)	1,046.1	1,104.9
Title VII — General Provisions 0.0	3.3	
<b>TOTAL, new budget (obligational) authority</b>	<b>\$54,510.4</b>	<b>\$60,710.1</b>

\*Excludes emergency appropriations of \$6.63 billion and \$22.5 million rescission of emergency funds (P.L. 105-277, P.L. 106-31) and includes rescissions of \$1.25 billion (P. L. 106-31).

(See detailed breakdown on attached chart at the end of this Notice.)

### Highlights from Title I, Agricultural Programs

- The bill provides \$794.8 million for Farm Service Agency salaries and expenses, an increase of \$80.3 million over last year. This is the same amount requested by the President.
- The bill provides \$3.08 billion in authorized loan levels for agricultural credit programs for farmers. This is an increase of \$798 million over last year and \$75 million over the levels requested by the President. This amount includes \$559 million for farm ownership loans, and \$2.4 billion for farm operating loans.
- Funding for the Food Safety and Inspection service is \$638.4 million, an increase of \$24.1 million above last year.
- Agricultural research and extension programs are increased \$35.3 million above last year's levels. The Agricultural Research Service is provided \$810.5 million, and activities of the Cooperative State Research, Education, and Extension Service are funded at a level of \$930.5 million.

- The Committee provides \$14.37 billion in mandatory payments required to reimburse the Commodity Credit Corporation (CCC). Last year, CCC was provided \$8.4 billion.

## **Highlights of Title II, Conservation Programs**

- The bill provides a total funding level of \$808 million for the various conservation programs of USDA. This is an increase of \$15 million above the fiscal year 1999 level. Funding of \$656 million is provided for the conservation operations account of the Natural Resources Conservation Service. This is \$15 million above last year's funding level.
- Other conservation programs of the Department are maintained at last year's levels.

## **Highlights of Title III, Rural Development**

- Rural housing loan authorizations are \$4.595 billion. This is an increase of \$343 million above the FY99 level and \$19.6 million above the level requested by the President.
- Funding for rural rental assistance is increased \$57 million above last year and \$200 million above the President's request. The bill does not concur with the President's recommendation to defer \$200 million in funding for this program until the next fiscal year.
- Funding for the Rural Community Advancement Program, which includes funds for water and waste disposal loans and grants, solid waste management grants, community facility loans and grants, and rural business enterprise grants, is increased to \$718 million. This is \$58 million above the level requested by the President.
- The bill provides the same level of loan authorizations for rural electrification and telecommunications as last year. This is an increase of \$492 million above the levels requested by the President.

## **Highlights of Title IV, Domestic Food Programs**

- The bill provides \$9.56 billion for the child nutrition programs. This is \$383 million above last year. Included in this amount is \$13 million to initiate the newly authorized pilot program and evaluation to provide free school breakfasts to all children, regardless of income in six school districts around the nation.
- Funding for the Food Stamp program is \$21.6 billion. It assumes the same reserve as FY99, and a reduction in the emergency food assistance program of \$3 million.
- The Special Supplemental Feeding Program for Women, Infants, and Children (WIC) is funded at \$4.038 billion. This is an increase of \$114 million above last year's level and

reflects the level of funding necessary to maintain WIC average monthly participation at 7.4 million.

### **Highlights of Title V, Foreign Assistance Programs**

- Funding for the Foreign Agricultural Service and the General Sales Manager is maintained at the FY99 level of \$140.5 million.
- Public Law 480 programs are funded at the following program levels: Title I- \$159.1 million; Title II- \$787 million; Title III- no funding is recommended. These funding recommendations assume the availability of ample carryover balances from fiscal year 1999 which will ensure Title I and II program levels at no less than in fiscal year 1999. The recommendations assume the ability of the Secretary to transfer funds from Titles I and II to fund Title III, as necessary.

### **Highlights of Title VI, FDA and Related Agencies**

- Funding for salaries and expenses of the Food and Drug Administration (FDA) is \$64 million above last year's amount. Included in this amount is a \$25 million increase for FDA food safety activities and an increase of \$28 million for premarket application review. The increase provided for the premarket application review is the same as the amount requested by the President for these activities through a combination of direction appropriations and collections from proposed new user fees.
- Funding for the Commodity Futures Trading Commission is maintained at \$61 million, the same as last year.

### **Highlights of Title VII, General Provisions**

- The bill maintains mandatory program limitations equal to or less than those adopted in previous years. The emergency food assistance is funded at an amount which is \$7 million higher than the FY99 level of \$97 million; the Wetlands Reserve Program is limited to new enrollments during fiscal year 2000 of 180,000 acres; and the Initiative for Future Agricultural Research is funded at \$50 million, and restrictions are continued on the Conservation Farm Options Program. Funding for the Environmental Quality Incentives Program, the Conservation Farm Options, the Fund for Rural America, and school lunch bonus commodities are at the 1999 level.

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## BILL PROVISIONS

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### Agricultural Programs

- **Total Funding:** Title I appropriates a total of mandatory and discretionary funding at \$20 billion for various agricultural programs. Of this total, \$14.368 billion goes to the Commodity Credit Corporation and \$997 million goes to the Federal Crop Insurance Corporation. The remainder funds the agricultural research, executive operations, agricultural marketing services, cooperative state research, extension service, animal and plant health inspection, food safety and inspection, and farm assistance programs.
- **Commodity Credit Corporation (CCC):** Funds CCC at an amount not to exceed \$14.368 billion for net realized losses incurred from the commodity price and farm income support activities. This is a \$5.9 billion increase over last year for this mandatory account and is largely responsible for the total bill's increase over last year. The President's budget also requested \$14.368 billion for FY 2000. Commodities such as wheat and barley are experiencing low prices this year, sales to Asian markets are dwindling, and farmers in the upper Plains are fighting crop disease and droughts. The Conservation Reserve Program (CRP) continues through FY 2002, with up to 36.4 million acres enrolled at any one time. The Wetlands Reserve Program is authorized through FY 2002, not to exceed 180,000 acres in total enrollment. The cost-share assistance program, EQIP (established to assist crop and livestock producers in dealing with environmental and conservation improvements on the farm), is funded at \$174 million for FY 2000.
- **Federal Crop Insurance Corporation Fund:** Recommends an appropriation of such sums as necessary, estimated to be \$997 million. This is the same as the budget request, and \$507 million less than last year for this program, which was designed to replace the combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.
- **Food Safety and Inspection Service (FSIS):** The President's budget requested \$653 million in direct appropriations, to be supplanted by \$504 million in new user fees. These fees have not been approved by the authorizing committee and signed into law, and therefore they are not assumed in the appropriations bill. To compensate for this loss in food safety inspection funds, the bill appropriates \$638.4 million for FSIS to adequately support meat and poultry inspections and the Hazard Analysis Critical Control Program (HACCP). This is a \$21.4 million increase over last year.

### Conservation Programs

- **Conservation Programs:** The bill increases funding to \$808 million for the Natural Resources Conservation Service (\$15 million above FY99 and \$58.7 million less than the

request), including \$656 million for operations, \$10 million for watershed surveys and planning, and \$99 million for watershed and flood development

## **Rural Economic and Community Development Programs**

- **Rural Development Programs:** The bill provides \$718 million, an increase of \$48 million over the budget request and \$4.7 million below last year, for the Rural Community Advancement Program (RCAP), which was created in the 1996 Farm Bill, to make water and sewer loans essential to rural communities throughout the nation as a result of increased loan subsidy costs. RCAP is made up of: direct and guaranteed water and waste disposal loans; water and waste disposal grants; emergency community water assistance grants; solid waste management grants; direct and guaranteed business and industry loans; rural business enterprise grants; and community facility loans and grants.
- **Rural Housing and Community Development Service Programs:** The Rural Housing Service (RHS) was established in 1995. Its programs were previously administered by the Farmers Home Administration and the Rural Development Administration. The Senate bill provides a total of \$4.6 billion for loan authorizations, including \$4.3 billion for single-family (section 502) direct and guaranteed loans; and \$114 million for section 515 rental housing loans. It also includes \$640 million for rental assistance (\$200 million over the request and an increase of \$42 million over last year).
- **Rural Business-Cooperative Service Programs (RBS):** RBS was created in 1995. The Committee recommends \$54.5 million for the Rural Business-Cooperative Service, including loan subsidies and grants, which is the same as last year. Of this amount, a total loan level of \$38 million is recommended for rural development loans and \$15 million for rural economic development loans.
- **Rural Utilities Service (RUS):** The RUS was established under the Department of Agriculture Reorganization Act of 1994 to administer the electric and telecommunications programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration. The bill provides a total loan authorization level of \$1.6 billion for electric and telecommunications loans, which is the same as last year. Also, the bill provides \$13.2 million for the distance learning and medical link grant program, an increase of \$520,000 above last year.

## **Domestic Food Programs**

- **Food Stamp Program:** Appropriates a total of \$21.6 billion, \$1.4 billion less than FY99 and \$920 million less than the budget request. Of the amount provided, \$100 million is available as a contingency reserve, which is the same as FY98 and \$900 million less than the contingency reserve level proposed in the budget request.

- **Women, Infants and Children (WIC) Feeding Program:** Recommends an appropriation of \$4.04 billion for WIC, which is \$114 million above last year's level.
- **Child Nutrition Programs:** To improve the health and well-being of the nation's children, the child nutrition programs include school breakfast and lunch programs, child and adult care food programs, summer food services, and nutrition education and training programs. In addition, the special milk program provides funding for milk service in schools, nonprofit child care centers, and camps which have no other federally assisted food programs. For these programs, the Committee provides an appropriation of \$4.6 billion, plus a transfer from section 32 of \$4.9 billion, for a total program level of \$9.56 billion, which is \$383 million more than last year and \$5 million less than the request. It includes \$13 million in discretionary funding for the School Breakfast Pilot Program.

### **Foreign Assistance and Related Programs**

- **Foreign Agricultural Service:** Provides \$136.2 million, the same as last year, and \$1.6 million less than the request. It continues funding at the FY99 level (\$29 million) for the Foreign Market Development Cooperator Program.
- **Public Law 480 (Food for Peace):** Recommends a total program level of \$946 million for the three main programs under P.L. 480, which serve as the primary means for the U.S. provision of food assistance overseas. This level is \$135.6 million below last year, and \$8.8 million more than the request. The bulk of the funds (\$787 million) is for grants under Title II for food aid for humanitarian relief through private voluntary organizations or through multilateral organizations like the World Food Program.

### **Related Agencies**

- **Food and Drug Administration (FDA):** The bill provides for a total level of 1.04 billion for the FDA. The direct appropriation for salaries and expenses is \$1.036 billion. An additional \$145 million from the Prescription Drug User Fee Act user fees and \$14 million from mammography clinics user fees are authorized for salaries and expenses, for a total for salaries and expenses of \$1.18 billion. Another direct appropriation of \$8.35 million is added for building and facilities, bringing the total direct appropriation to \$1.04 billion.

The Committee includes \$34 million for youth tobacco initiatives, a \$25 million increase for FDA food safety initiatives, and a \$28 million increase for premarket application at the President's request to review and meet mandatory statutory deadlines.

- **Commodity Futures Trading Commission:** Appropriates \$61 million, which is the same as last year and \$6.7 million less than requested.
- **Farm Credit Administration:** Recommends a limitation on administrative expenses, the same as last year.

## **General Provisions**

- Adds \$3 million for the Bill Emerson and Mickey Leland Hunger Fellowship through the Congressional Hunger Center.
- Adds a new provision to section 747 relating to union bargaining units and exclusive representatives for possible administration convergence to the Support Services Bureau.
- Reduces the number of days a farmer has to apply for Labor Department certification for a foreign farm worker from 60 days to 45 days before the date of hire, and requires the Labor Department to process the application in 15 days rather than 40 days.

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## **ADMINISTRATION POSITION**

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No official Administration position was available at press time, but one was anticipated.

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## **POSSIBLE AMENDMENTS**

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Harkin. Provide a \$6.5-billion farm-bill disaster package. This package, which was offered, and failed to pass at the subcommittee, includes:

- About \$3.9 billion in market-loss payments;
- \$1 billion to buy soybeans/products for donation overseas;
- \$430 million in disaster aid;
- \$347 million for the cotton Step-2 program;
- \$355 million for Section 32 commodity purchase efforts;
- \$180 million for livestock feeding assistance;
- \$200 million for dairy producers; and
- \$45 million in aid to peanut producers.

[Editor's Note: Committee Chairman Cochran and a number of other Senators consider the Harkin amendment premature. Twenty-two Republican Senators in a letter to President Clinton on June 15, 1999, acknowledged the severe economic situation facing many farmers currently, and so again called upon the President to monitor the agriculture situation closely and to submit a request to the Congress for any additional funds needed to address the potential farm crisis. This language is the same as that contained in the managers' language which accompanied the recent emergency supplemental appropriation bills that provided



funding for Central America and Kosovo, and which provided emergency loan to U.S. farmers [P.L. 106-31, signed on May 21, 1999]. Note that law provided \$422 million *more* than the President's request for agriculture assistance. Last year, as part of the FY99 appropriations cycle, Congress [ultimately, in the omnibus bill, P.L. 105-277] provided a \$5.9 billion emergency package for farmers. Further, during the subcommittee markup, Chairman Cochran strongly reiterated his desire that the Administration work with the Congress on any new farm aid package, rather than allowing an arbitrary figure to pass prior to a request being submitted. USDA Secretary Glickman also appeared to indicate Harkin's amendment is premature, when he noted (as reported in the *Des Moines Register* of June 17, 1999) he expected the Administration to act sometime after late summer when USDA could better assess crop damage from natural disasters and determine damage from low prices.]

Leahy. Extend the Northeast Dairy Compact. Senator Kohl (and others) have announced his (their) intent to filibuster with a host of amendments.

Gregg-Schumer. Sugar.

Santorum. Peanuts.

Bryan. Eliminate the Market Access Program (MAP).

Bryan. To remove Nevada from the federal milk marketing order system.

Durbin. Single-use medical devices.

Dodd/Warner. Lift Cuban sanctions on food and medicine.

Mack/Graham. Federal crop insurance coverage for non-industrial planting of trees.

Burns. SOS on lamb imports.

Wyden. Guest worker program.

Harkin. Allow federal government to sue tobacco companies under Medicare.

Others may include:  
mandatory price reporting;  
country of origin labeling; and  
Restrictions on FDA's MedGuide Program.

Staff Contact: Judy Myers, 224-2946; [Attachment: chart.]

## Agriculture Appropriations, FY 2000

(in thousands of dollars, unless otherwise indicated)

(Only selected programs listed)

<u>Appropriation Account</u>	<u>FY 1999 Level</u>	<u>President's Request</u>	<u>Senate Committee</u>
<b>Agriculture Programs</b>			
Agricultural Research Service	841,955	881,368	862,499
Cooperative State Research, Educ., Extension	919,203	943,412	931,538
Animal and Plant Inspection	433,503	442,645	444,645
Food Safety & Inspection	616,986	652,955	638,404
Crop Insurance Corp. Fund	1,504,036	997,000	997,000
Commodity Credit Corp. (CCC)	8,439,000	14,368,000	14,368,000
Agricultural Credit Insur. Fund	309,564	291,481	296,167
<i>Loan authorization</i>	(2,284,958)	(3,008,734)	(3,083,292)
Farm Service Agency	1,026,513	1,090,770	1,093,456
<b>Subtotal (total, Title I)</b>	<b>14,481,998</b>	<b>20,174,117</b>	<b>20,000,476</b>
<b>Conservation Programs</b>			
Natural Resource Conservation Service	792,379	866,099	807,379
<b>Subtotal (total, Title II)</b>	<b>792,379</b>	<b>866,099</b>	<b>807,379</b>
<b>Rural Development Programs</b>			
Rural Housing Service	1,269,445	1,345,735	1,310,948
<i>Loan authorization</i>	(4,251,717)	(4,575,052)	(4,594,694)
Rural Business-Cooperative Service	52,860	63,201	54,585
<i>Loan authorization</i>	(48,000)	(67,495)	(53,256)
Rural Utilities Service	126,155	104,698	96,822
<i>Loan authorization</i>	(1,869,009)	(1,445,000)	(1,919,009)
<b>Subtotal (total, Title III)</b>	<b>2,175,234</b>	<b>2,194,349</b>	<b>2,184,449</b>
<i>Loan Authorization</i>	<i>(6,168,726)</i>	<i>(6,087,547)</i>	<i>(6,566,959)</i>
<b>Domestic Food Programs</b>			
Food stamps program	21,335,106	27,284,444	21,563,744
Child nutrition programs	9,176,897	9,565,036	9,560,028
Women, Infants and Children	3,924,000	4,105,495	4,038,107
<b>Subtotal (total, Title IV)</b>	<b>34,436,003</b>	<b>40,954,975</b>	<b>35,161,879</b>
<b>International Programs</b>			
PL 480 (Food for Peace)	1,056,695	915,000	922,885
<i>Program level</i>	<i>1,081,724</i>	<i>937,324</i>	<i>946,089</i>
CCC export loan	3,820	4,085	3,820
<b>Subtotal (total, Title V)</b>	<b>1,060,515</b>	<b>919,110</b>	<b>926,705</b>
<b>Related Agencies</b>			
Food and Drug Administration	982,217	1,141,700	1,043,888
<b>Subtotal (total, Title VI)</b>	<b>982,217</b>	<b>1,141,700</b>	<b>1,043,888</b>
<b>GRAND TOTAL</b>			
New budget authority	54,510,359	66,883,182	60,710,118
<i>Loan Authorizations</i>	<i>8,453,684</i>	<i>9,096,281</i>	<i>9,650,251</i>